

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

June 25, 1987

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Layton Enterprises, Inc.
3103 79th Street
Lubbock, TX 79423

Attention: Donald R. Layton

RE: El Zorro Federal and El Zorro "B"
Federal Lease Commingling.

Dear Mr. Layton:

On June 15, 1987, the Division issued an Administrative order which authorized commingling of Allison Penn Pool production from the El Zorro Federal and El Zorro "B" Federal Leases. Due to a clerical error and inadvertance an incorrect order number was assigned the authorization; therefore, the subject Order Number shall be changed to "CTB-325."

I apologize for any inconvenience this oversight has caused. If you should have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael E. Stogner", written over a horizontal line.

Michael E. Stogner
Engineer

MES/ag

cc: OCD - Hobbs
US Bureau of Land Management - Roswell
✓ CTB-325 File

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325
COMMINGLING ORDER CTB-~~654~~

Layton Enterprises, Inc.
3103 79th Street
Lubbock, TX 79423

Attention: Donald R. Layton

The above-named company is hereby authorized to commingle
Allison Penn pool production from the following leases:
in Roosevelt County, New Mexico

Lease Name: El Zorro Federal Lease
Description: E/2, Section 25
Township 8 South, Range 36 East, NMPM,

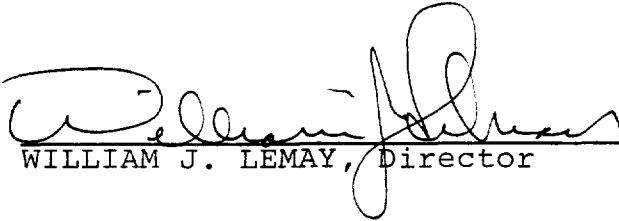
Lease Name: El Zorro "B" Federal Lease
Description: All of Section 24
Township 8 South, Range 36 East, NMPM,

Production shall be allocated to each lease by well tests;
(If this method or the subtraction method above is to be
authorized, all commingled production must be of identical
ownership: working interest, royalty interest, and
overriding royalty interest)

NOTE: This installation shall be installed and operated in
accordance with the applicable provisions of Rule
309-B of the Division Rules and Regulations and the
Division "Manual for the Installation and Operation
of Commingling Facilities." It is the responsibility
of the producer to notify the transporter of this
commingling authority.

REMARKS: Should the well located on the El Zorro "B" Lease
be completed and found to be capable of top
allowable production, meters will be required to
measure production from each well prior to
commingling.

DONE at Santa Fe, New Mexico, on this 11 day of June,
1987.



WILLIAM J. LEMAY, Director